



Homeland
Security

Press Release

September 14, 2005

\$1.6 MILLION PENALTY ISSUED TO FLORIDA COMPANY FOR IMPORT VIOLATIONS

MILWAUKEE — A \$1.6 million civil penalty was issued last week to a Florida company for failing to pay customs duties on pencils imported from China at various locations throughout the U.S., following an investigation by U.S. Immigration and Customs Enforcement (ICE).

Mainland Inc., of Marco Island, Fla., was fined Sept. 9 by U.S. Customs and Border Protection's (CBP) Milwaukee Office for failing to properly enter shipments of pencils from China to avoid paying antidumping duties. The shipments were imported through the ports of: Milwaukee, Chicago, Miami, Cincinnati, Dallas, Nashville and Indianapolis. Antidumping duties are paid to protect U.S. manufacturers from unfair foreign trade practices and to ensure that imported goods are not sold in the U.S. at lower prices than they would be in the domestic market abroad.

Following the ICE investigation, CBP, the federal agency which imposes such fines, awarded the significant fine due to the company's gross negligence in failing to deposit antidumping duties. The ICE investigation, which began in 2002 based on a referral from a Milwaukee import specialist, revealed that Mainland Inc. misclassified 54 entries which resulted in a total loss of revenue to the United States of more than \$418,000.

"We will continue to pursue those companies that circumvent duty requirements on imports," said Brian Falvey, resident agent-in-charge of the ICE Milwaukee Office. "Companies that perpetrate commercial fraud pose a threat to U.S. business interests and will continue to be a focus of our enforcement actions."

Both U.S. Immigration and Customs Enforcement (ICE) and U.S. Customs and Border Protection (CBP) are agencies within the U.S. Department of Homeland Security.

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